The Myanmar Investment Commission

Republic of the Union of Myanmar
Form
Sr. No. 9692 P
Dated 31-7-2012
Myanmar Investment Commission

PERMIT

Permit No. 493/2012

Date: 31st July 2012

The Myanmar Investment Commission issues this Permit under Section 10 of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter Mr. Pradup Ganediwal

(b) Citizenship Indian

(c) Address 401 Princess Centre, 6/3 New Palasia Indore, M.P (INDIA)

(d) Name and Address of principal organization Blue Ocean Glo (Private) Ltd. 401 Princess Centre, 6/3 New Palasia Indore, M.P (INDIA)

(e) Place of incorporation India

(f) Type of business in which investment is to be made Production and Marketing of planting Seeds, Lint, Edible Oil, De-Oiled Cake by modernisation & expansion of existing Cotton Gin, and Multi-seed extraction unit with Batch Refinery

(g) Place(s) at which investment is permitted Chaungmagyi Cotton Seed Farm, Pyawbwe Township, Mandalay Region.

(h) Amount of foreign capital US$ 4.50 million

(i) Period for bringing in foreign capital Within 5 years from date of issuance of MIC Permit

(j) Total amount of capital (Kyat) Equivalent In Kyat of US$ 4.50 million

(k) Permitted duration of investment 25 Years

(l) Name of the economic organization to be formed in Myanmar Blue Ocean Myanmar Ltd.

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
စာအမှတ်
ရက်စွဲ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၄၉၃ /၂၀၁၂ — ၂၀၁၂ ခုနှစ်၊ ဇူလိုင်လ ၃ ရက်

ပြည်ထောင်စု သမ္မတမြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် Mr. Pradeep Ganediwal

(ခ) မည်သည့် နိုင်ငံသား Indian

(ဂ) နေရပ်လိပ်စာ 401 Princess Centre, 6/3 New Palasia Indore, M.P (INDIA)

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ Blue Ocean Global (Private) Ltd. 401 Princess Centre, 6/3 New Palasia Indore, M.P (INDIA)

(င) ဖွဲ့စည်းရာအရပ် India

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ဝါမျိုးစေ့များထုတ်လုပ်ရောင်းချခြင်း၊ ဝါကြိတ်စက်နှင့် ဝါစေ့ဆီကြိတ်စက်များ အဆင့်မြှင့်တင်၍ Lint, Edible Oil, De-Oiled Cake များ ထုတ်လုပ်ခြင်းနှင့် ရောင်းချခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မန္တလေးတိုင်းဒေသကြီး၊ ပျော်ဘွယ်မြို့နယ်၊ ချောင်းမကြီး၊ ဝါစိုက်ပျိုးရေးခြံနှင့် ယင်းတော်ဝါကြိတ်စက်ရုံ

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၄.၅၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင် ခွင့်ပြုမိန့်ရရှိပြီး (၅)နှစ် အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန် ဒေါ်လာ ၄.၅၀ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၂၅ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် Blue Ocean Myanmar Ltd.

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-663 / 2012(၉၆၇၉၂.၇)
Dated : 31/ July 2012

Tel: 067- 406334, 406075
Fax: 95-67-406333

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Production and Marketing of planting Seeds, Lint, Edible Oil, De-Oiled Cake by modernisation & expansion of existing Cotton Gin, and Multi-seed extraction unit with Batch Refinery" under the name of Blue Ocean Myanmar Limited.

Reference: Blue Ocean Myanmar Limited, Letter dated (18.4.2012)

1. The Myanmar Investment Commission, at its meeting (19/2012) held on (4-7-2012) had approved the proposal for investment in "Production and Marketing of planting Seeds, Lint, Edible Oil, De-Oiled Cake by modernisation & expansion of existing Cotton Gin, and Multi-seed extraction unit with Batch Refinery" under the name of submitted by Blue Ocean Global (Private)Limited, Indore, MP (India) as its subsidiary company.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VI, Article 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be initial period of five years and extendable for another each 5 (Five) years five times in accordance with the existing regulations. Initial period of five years commencing from the date of signing of the Product Sharing Agreement between Department of Industrial Crops Development and Blue Ocean Myanmar Limited.

4. Department of Agriculture shall provided Blue Ocean Myanmar Limited, Yindaw Gin (5.30) acres and Chaungmagyi Gin (15) acres in total, located in Chaungmagyi cotton seed production farm, Pyawbwe Township, Mandalay Region for Modernisation & Expansion of existing Cotton Gin, and Multi-seed Edible Oil Extraction Unit with Batch Refinery.

5. Blue Ocean shall pay US$ 50,000 per annum or US$ 25 per MT of cotton lint including oil and oil cake produced per year, whichever is more to the

Department of Industrial Crops Development. Payment for product sharing shall be guaranteed by written guarantee on stamp affixed at the beginning of the year.

6. The first payment shall be made in 15 months after signing of Production Sharing Agreement. Subsequent payment shall be made in 12 months after the first payment is done.

7. In issuing this "Permit," the Commission has granted, amongst the followings, exemptions and reliefs as per Section 21(a)(i) and (j) of the Republic of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section 21 shall have to be applied upon the actual performance of the project;

(a) As per section-21(a), exemption from income tax up to 36 (Thirty six) consecutive months starting from the month of commencement of commercial operation.

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested there in within one year after the reserve is made.

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income- tax assessment.

(d) As per section-21(d), relief from income tax up to 50 percent on profits accrued from exports, following a 3-year tax holiday period.

(e) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), right to deduct from the assessable income such expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holiday period.

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

8. Blue Ocean Myanmar Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

9. Blue Ocean Myanmar Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit" it shall become null and void.

10. The commercial date of operation shall be reported to the Commission.

11. Blue Ocean Myanmar Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

12. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Blue Ocean Myanmar Limited.

shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

13. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provisions under Section-24 the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section - 2(h) of the said Law, other than foreign currency.

14. Whenever Blue Ocean Myanmar Limited. brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 13(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

15. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)]

16. Blue Ocean Myanmar Limited shall have the right to conduct account transfer in exchanging foreign currency into Kyat and vice-versa as per para 20 of the Notification No. 40/2011 issued by the Government of the Republic of the Union of Myanmar, dated 30 September 2011.

17. Blue Ocean Myanmar Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

18. Blue Ocean Myanmar Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

19. Blue Ocean Myanmar Limited shall follow the procedures prescribe by the Commission, vide letter no. Ya Ka-7/408/94(0424) dated 29-6-94 [Annexure (3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-years operation period.

20. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Blue Ocean Myanmar Limited .

21. Blue Ocean Myanmar Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Article 15 of the Procedures relating to the Republic of the Union of Myanmar Foreign Investment Law.

(Soe Thane)

Chairman

Blue Ocean Myanmar Limited

C/O

Department of Industrial Crops Development

cc: 1. Office of the Union Government of the Republic of the Union of Myanmar
2. Office of the Mandalay Regional Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance and Revenue
5. Ministry of Commerce

6. Ministry of Construction
7. Ministry of Agriculture and Irrigation
8. Ministry of Foreign Affairs
9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Ministry of Electric Power No.(2)
13. Director General, Directorate of Investment and Company Administration
14. Director General, Customs Department
15. Director General, Internal Revenue Department
16. Managing Director, Myanma Foreign Trade Bank
17. Managing Director, Myanma Investment and Commercial Bank
18. Managing Director, Myanma Insurance
19. Managing Director, Myanma Electric Power Enterprise
20. Director General, Directorate of Trade
21. Director General, Immigration and National Registration Department
22. Director General, Directorate of Labour
23. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(RUMFCCI)